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Canada

Grain and Feed

Grain Stocks Down Sharply for 2002 Reports

Statistics Canada

2002

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Report Highlights:

Total stocks of cereals, oilseeds and special crops on farms were down sharply from 2001 and were well below the 10-year average. The low stocks were a direct result of the poor production in 2001 that also reduced exports and decreased domestic usage. For 2002, the tight stock situation coupled with another disastrous crop will result in one of the most difficult years for the agriculture community in western Canada.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1], CA

GRAIN STOCKS DOWN SHARPLY FOR 2002

The following is based on Statistics Canada *Field Crop Reporting Series, Vol.81, No. 6, Stocks of Canadian Grain at July 31, 2002*.

Wheat Farm Stocks down

Farm stocks of wheat were estimated at 1.4 million metric tons (MMT), down 48% from 2.7 MMT in 2001. This is below the 10-year average of 2.1 MMT. Western Canada accounts for nearly all of the farm stocks of wheat.

Commercial stocks of wheat were down 27% from 2001 to 5.1 MMT. This is under the 10-year average of 6.4 MMT but above the low of 4.2 MMT set in 1989.

Wheat exports have been declining as a result of lower supplies, but domestic milling and feed usage continued to increase. The use of wheat in animal rations has risen in the past two years, as traditional feed supplies such as barley were tight.

Durum wheat stocks had the sharpest decline, with farm stocks dropping 56% from 2001 to 520,000 metric tons (MT). Exports remained stable despite the reduced stocks carried in from the poor crop of 2001. Commercial stocks fell 34% to 1.1 MMT.

Table: Total stocks of grain at July 31

| | 2001 | 2002 | 2001/02 |
|-----------------------|---------------|-------|----------|
| | ('000 tonnes) | | % change |
| All wheat | 9,658 | 6,488 | -33% |
| Wheat excluding durum | 6,786 | 4,859 | -28% |
| Durum wheat | 2,872 | 1,629 | -43% |
| Barley | 2,516 | 1,993 | -21% |
| Canola | 1,088 | 1,215 | 12% |
| Oats | 854 | 365 | -57% |
| Flax | 259 | 189 | -27% |
| Lentils | 256 | 131 | -49% |
| Dry Field Peas | 195 | 275 | 41% |
| Mustard Seed | 105 | 33 | -69% |
| Rye | 77 | 49 | -36% |
| Canary Seed | 70 | 30 | -57% |
| Sunflower Seed | 46 | 22 | -52% |

Farm Stocks of Barley Drop

Farm stocks of barley decreased 27% from 2001 to 1.3 MMT. Commercial barley stocks fell slightly to 688,000 MT. Saskatchewan farms recorded the sharpest drop, with barley stocks down 45% to 300,000 tonnes. Tight barley stocks, coupled with the poor crop in 2002, will result in continued high feed prices throughout the year. Low feed supplies will cause corn imports to rise sharply from the record 3.7 MMT estimated for the 2001/02 crop year.

Record Low Stocks Reported in Special Crops

Special crop farm inventories were sharply lower because of poor growing conditions in 2001. Strong prices for canary seed and mustard also encouraged producer marketings and reduced farm stocks. Canary seed stocks dropped 70% from 2001 to hit a record low of 15,000 MT. Mustard seed stocks were down 80% to 10,000 MT, matching the record low set in 1999. Lentil inventories were down 55% to 96,000 MT. Sunflower seeds stocks fell 63% to 15,000 MT, setting a new record low and encouraging imports.

Dry field peas were the only special crop to rise in farm stocks from 2001. Pea stocks increased 52% to 190,000 MT from 2001's abnormally low level.

Oat Stocks Match Record Low Set in 1996

Farm stocks of oats fell 59% from 2001 to 305,000 MT - the same level as in 1996. Commercial stocks dropped 42% to 60,000 MT, just under the low set in 1992.

Canola Stocks Up

Total stocks of canola were up 12% from 2001 to 1.2 MMT. Farm stocks of canola were unchanged from 2001 at 590,000 MT. However, commercial stocks were 28% higher at 625,000 MT. Although the 2001 production was down 2.2 MMT from 2000, the decrease was more than offset by a smaller export program and a reduction in domestic processing.

Soybean Stocks Drop

The poor soybean crop in eastern Canada in 2001 translated into smaller farm stocks at the end of July. Farm stocks fell 68% to 45,000 MT. The largest change was in Ontario where farm stocks fell 70% to 30,000 MT.

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| CA2104 | Wheat and Barley Production Estimates for '02/03 Fall to 28 and 34 Year Lows, Respectively, Says Statistics Canada | 8/23/2002 |
| CA2080 | Statistics Canada Estimates of Field Crop Production | 6/28/2002 |
| CA2058 | Statistics Canada Stocks of Grain As of March 31 | 5/9/2002 |
| CA2040 | Grain and Feed Annual Report | 4/16/2002 |

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